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Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

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October 17, 2008

Mr. Edward M. Liddy
Chief Executive Officer
American International Group, Inc.
70 Pine Street
New York, NY 10270

Dear Mr. Liddy:

I am writing to request additional information and documents as part of the Oversight Committee's investigation into the federal rescue of the American International Group and its connection to the ongoing financial crisis.

During the Committee's hearing on October 7, 2008, witnesses were asked about a week-long conference held at the St. Regis Monarch Beach Resort approximately one week after the Treasury Department agreed to spend \$85 billion to save AIG from collapse. Your predecessor, former CEO Robert Willumstad, told the Committee that the charges of \$200,000 for rooms, \$23,000 for spa services, and \$7,000 on greens fees seemed "very inappropriate" and that he "absolutely" would not have approved them.¹ His predecessor, former CEO Martin Sullivan, testified that, "if I'd have seen bills like that, I can assure you as the CEO I would've been asking questions."² The next day, you sent a letter to Treasury Secretary Paulson explaining that although this retreat was "standard practice in our industry," you were "reevaluating the costs of all aspects of our operations in light of the new circumstances in which we are all operating."³

Since then, there have been reports that AIG may have paid for other similar events held after receiving access to \$85 billion in taxpayer funds, such as an event on September 20, 2008,

¹ *Hearing on the Causes and Effects of the AIG Bailout*, Federal News Service (Oct. 7, 2008).

² *Id.* See also *Press Briefing by Press Secretary Dana Perino*, The White House (Oct. 8, 2008) (online at www.whitehouse.gov/news/releases/2008/10/20081008-2.html) (calling these activities "despicable").

³ Letter from Edward M. Liddy, Chairman and Chief Executive Officer, AIG, Inc., to Henry M. Paulson, Secretary of the Treasury (Oct. 8, 2008).

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at the Steven F. Udvar-Hazy Center in Washington, D.C., with over 800 people and a hunting trip in England for AIG executives that reportedly cost \$85,000. Yesterday, you and the New York Attorney General announced that AIG would be cancelling over 160 conferences and events.⁴

To assist the Committee in investigating this issue, I ask that AIG provide the Committee with a listing of all conferences, events, or retreats paid for by AIG, its subsidiaries, or affiliates from January 1, 2008, to the present, along with documents sufficient to show the charges paid for each conference, event, or retreat, including lodging, transportation, food, drink, and other charges. I also ask that you provide a listing of any similar conferences, events, or retreats planned for the next six months.

In addition, I ask that you provide the Committee with additional information and documents relating to the actions taken by Joseph Cassano, the head of AIG's Financial Products Division; bonus payments made to AIG executives; and the use of funds provided by the federal government to date. Specifically, I request that you provide to the Committee:

1. All documents and communications, including e-mails, sent, received, or reviewed by Joseph Cassano, William Kolbert, Pierre Micottis, or Doug Poling during the two-year period ending on October 15, 2008;
2. All documents relating to the weekly "Global Conference Calls" conducted by AIG's Financial Products Division, including presentations, transcripts, minutes, and audio recordings, for the two-year period ending on October 15, 2008;
3. A listing of all compensation and perquisites provided to Mr. Cassano from 2000 to the present, other than salary and cash bonus information previously provided to the Committee;
4. For each of the following groups, the number of employees in each group; the total amount of base salary paid to each group annually from January 1, 2006, to the present; and the total amount of non-base salary cash compensation (*e.g.*, cash bonus or other incentive payments) paid to each group annually from January 1, 2006, to the present:
 - a. All employees of AIG, its subsidiaries, and its affiliates;
 - b. Participants in AIG's Partners Plan;
 - c. Participants in AIG's Senior Partners Plan; and

⁴ Joint Statement from the New York Attorney General and American International Group (Oct. 16, 2008).

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- d. Employees of the Financial Products Division;
5. The total amount of funds received from the Federal Reserve through the \$85 billion credit facility agreement announced on September 16, 2008, and the \$37.2 billion securities lending agreement announced on October 8, 2008.
6. A detailed description of the uses of the funds identified in response to question 5, including the identities of any counterparties to which funds were provided for collateral or other purposes, the date the funds were provided to the counterparties, and the amount of the funds involved.

Please provide these documents and information to the Committee by Friday, November 14, 2008.

The Committee on Oversight and Government Reform is the principal oversight committee in the House of Representatives and has broad oversight jurisdiction as set forth in House Rule X. An attachment to this letter provides additional information on how to respond to the Committee's request.

If you have any questions regarding this letter, please contact Roger Sherman or Michael Gordon of the Committee staff at (202) 225-5051.

Sincerely,



Henry A. Waxman
Chairman

Enclosure

cc: Tom Davis
Ranking Minority Member